Mitigated Negative Declaration

Introduction

Southern California Gas Company (SCG), a regulated California utility, submitted an application to the California Public Utility Commission (CPUC) seeking approval to decommission and sell its Montebello Gas Storage Facility (MGSF, SCG Station No. 14) located in the cities of Montebello and Monterey Park, California (See Figures 1.1-1 and 1.1-2 in Chapter 1). The CPUC must determine whether to authorize the proposed project that includes:

- Recovery and sale of cushion gas
- Decommissioning of the facility
- Sale of all facility assets under California Public Utilities Code 851

As required by the California Environmental Quality Act (CEQA), the Commission assessed the potential environmental impacts of the proposed project as part of its review of SCG's application. This Mitigated Negative Declaration has been prepared based on the assessment presented in the Initial Study, included in this document.

Project Description

SCG filed an Application (00-04-031) and Settlement (November 22, 2000) for decommissioning and sale of the MGSF. Decommissioning and sale of the MGSF would involve the following:

1. Recovery and sale of cushion gas

2. Decommissioning of the MGSF facilities including:
   - Abandonment of most injection, recovery and monitoring wells
   - Removal and/or demolition of equipment, buildings and other site improvements
3. Sale of all MGSF assets including:
   - Main Facility (consisting of 6 parcels and a total of 29 ac of land)
   - East Site (consisting of 2 parcels and a total of 11 ac of land)
   - 14 Townsite lots (2 ac of land)

POSSIBLE CONNECTED ACTIONS

A reasonably foreseeable action of the proposed project's full implementation is the subsequent development of the MGSF properties in accordance with the existing land use regulations of the cities of Montebello and Monterey Park. Based on limitations of use imposed by the current General Plans and zoning ordinances of the cities the future development of the sites was evaluated in the Initial Study. That future development includes 22 single family homes within the City of Montebello and a small industrial/manufacturing/service commercial use on the two MGSF lots located within the City of Monterey Park.

Environmental Determination

The Initial Study was prepared to assess the potential effects of the decommissioning and sale of the MGSF on the environment in the project area. The Initial Study was based in part on information taken from SCG's September 23, 2000 Proponent's Environmental Assessment (PEA) and supplemental information provided by SCG and consultants to the CPUC.

Based on the analysis presented in the Initial Study, the proposed project and related actions would have less-than-significant effects or no impacts in the areas of:

- Agriculture
- Land Uses and Planning
- Population and Housing
- Public Services (other than parks and recreation)
- Recreation
- Utilities and Services

The Initial Study's analysis concluded that the proposed project and related actions could result in potentially significant impacts in the areas of:

- Aesthetics
- Air Resources
- Biological Resources
- Cultural Resources
- Geology and Soils
- Hazards and Hazardous Substances

- Hydrology / Water Resources
- Mineral Resources
- Noise
- Transportation

The impacts identified as potentially significant could be mitigated to avoid or reduce the potential impact to a less than significant level with the introduction of specific mitigation measures described below:

AESTHETICS - VISUAL

Decommissioning, sale and anticipated urban development of the MGSF properties could result in potentially significant visual impacts along public roadways adjacent to the properties. These potentially significant effects can be mitigated to a less than significant level by application of the following mitigation measures.

Mitigation Measure 4.1-1

Initial landscape screening of the Main Facility and East Sites shall be provided where any significant earthworks may be undertaken during decommissioning that may be seen by the public. The screening shall be installed where no screening exists and shall include at least three rows of shrubs or small trees, which will screen views from typical passenger cars on public streets. These landscaping screens shall be maintained until the SCG and the new owner(s) have completed the sale and transfers.

Mitigation Measure 4.1-2

Physical screening of individual lots shall be provided during decommissioning of wells and removal of all physical facilities, leaving a clear and clean site.

AIR QUALITY

Decommissioning of the MGSF, including recovery of cushion gas, abandonment of wells, removal of equipment and demolition of buildings could produce temporary hydrocarbon and particulate emissions. The anticipated urban development of the MGSF properties could generate short-term construction related hydrocarbon and particulate emissions. While short-term, the generation of emissions could be potentially significant. These potentially significant effects can be mitigated to a less than significant level by application of the following mitigation measure.

Mitigation Measure 4.3-1

If SCG conducts the full or major elements of the decommissioning, SCG shall take full responsibility for compliance with all SCAQMD and City of Montebello regulations and permit conditions regarding air emissions throughout the decommissioning. If SCG sells the MGSF or any facilities thereof, the transfer shall be conditioned so that the new owner(s) accept all approved and confirmed procedures and requirements set forth in the facility's permits and shall have sufficient financial assets set aside for such implementation and completion. If for any reason, the new owner(s) fails to perform such measures, SCG shall be responsible for such implementation throughout decommissioning.

SCG shall define and implement controls of odors and dust during decommissioning, degassing of the field, and abandonment of wells. The control shall be prepared in conjunction with the SCAQMD and City of Montebello, and approved by the SCAQMD prior to implementing the project. Controls of odors arising from H_2S and hydrocarbons may include activated carbon or incineration by catalytic oxidizer/combustors as allowed by the SCAQMD and the City of Montebello Fire Department.

BIOLOGICAL RESOURCES

The MGSF properties include a variety of important biological resources including the coastal California gnatcatcher, horned lizard, Mulefat/willow and sycamore riparian habitat and coastal sage scrub habitat. Decommissioning of the MGSF facilities and the anticipated urban development of the MGSF properties could result in potentially significant impacts to these important resources. These potentially significant effects can be mitigated to a less than significant level by application of the following mitigation measures.

Mitigation Measure 4.4-1

To ensure that the interests of the USFWS, CDFG and other relevant resource agencies are adequately addressed in the future focused or protocol surveys will be conducted not more than one year prior to any ground disturbing activities. For the purposes of this analysis the baseline condition is assumed to be the currently permitted levels of operation. Consultation will take place with USFWS and CDFG prior to implementation of these mitigation measures.

Mitigation shall compensate for adverse effects of other activities discussed below. Impact-reducing measures to be undertaken prior to or during decommissioning shall include:

a. Baseline surveys of special-status and sensitive species identified during the May 10, 2001 field visit shall be conducted by SCG no later than June 15, 2001 for plant species and August 30, 2001 for wildlife species. In the event that plant protocol surveys cannot be implemented by June 15, 2001 because of seasonal timing, they will be completed no later than June 15, 2002. Future surveys may require alteration of the species list in consultation with USFWS and CDFG.

b. Protocol surveys shall be conducted for special-status and sensitive species having suitable habitat as identified by CDFG during a site visit on May 10, 2001. The surveys shall be conducted during the appropriate season, and not more than one year prior to the first ground-disturbing activity, the surveys shall clearly identify the precise locations, presence, and degrees/types of use of the species. The surveys shall strictly adhere to all current (at implementation) protocols established or regulated by the USFWS and the CDFG. The USFWS and CDFG shall be contacted prior to commencing the surveys for the purpose of defining protocol requirements. The USFWS and CDFG shall be provided copies of the survey results for the purpose of assessing the need for mitigation and the appropriate mitigation required for the resource type and extent of potential impact.

c. Isolation and demarcation of special-status plant populations or designated special-status species wildlife habitat prior to and during decommissioning.

d. Within the decommissioning area, collection of seeds and seedlings for dominant species of sensitive vegetation communities (i.e., coast sage scrub, riparian) that may require restoration. These seeds and seedlings may be suitable for protection and development of

nursery stocks by others for relocation and replanting on MGSF sites not planned for development or other lands approved by USFWS and CDFG. Seed collection will not be used for restoration of rare plants. High quality top soil from the impacted site should be segregated and used for any future re-planting efforts.

e. Provision of suitable gnatcatcher and horned lizard nesting sites on other lands during the decommissioning period. In general, this type of mitigation has not proven highly successful and should not be relied upon as the sole method of offset or mitigation.

f. Replacement planting of listed trees at replacement ratios determined suitable and appropriate, in consultation with the Cities of Montebello and Monterey Park and the County of Los Angeles.

SCG shall conduct surveys for special-status plant species during the appropriate flowering period prior to surface-disturbing activities.

If impacts to endangered, threatened or special status plants and project impacts to plants cannot be avoided, mitigation alternatives and plans shall be designed based on the specific requirements of the species and habitat involved. The plan shall include a combination of on-site and off-site mitigation:

a. On-site: Partial avoidance, seed collection with re-seeding, or acquisition of seedlings from a nursery and / or replacement of stockpiled soil, as directed by USFWS and CDFG. Any on-site re-planting plans shall include monitoring for a minimum of five years to determine success of re-seeding and habitat creation. The mitigation shall be implemented prior to surface disturbance of listed plants.

b. Off-site: Land acquisition or use of a conservation easement over an existing population of the special-status species that the project eliminated (minimum 1:1 replacement). Establishment of a management endowment as necessary to provide for long-term management of the population.

Mitigation Measure 4.4-2

Any modifications to the Mulefat / willow and sycamore riparian habitat on the MGSF sites shall be coordinated with the USACOE and CDFG to determine the extent, if any, of their jurisdiction for riparian or wetland habitats. Any identified jurisdictional habitats would be isolated and demarcated for protection during the decommissioning and provided for in the habitat restoration program. Such habitat replacement (estimated at less than 1 ac) would be coordinated and added to the measures for Checklist Question a), above.

Mitigation Measure 4.4-3

Any riparian vegetation (willow) affected in the decommissioning due to remediation activities shall be transplanted directly or held for nursery stock development. Mitigation measures during decommissioning shall include:

a. Avoidance or minimization of impacts from decommissioning and development construction to any wetland vegetation.

b. Development and implementation of wetland mitigation and monitoring plan to compensate for any loss of wetland vegetation cover.

c. Replacement compensation at a mitigation ratio to replace or exceed any loss of habitat and functional value of the wetland habitat.

If USACOE takes jurisdiction on any site within the MGSF property, the Section 404 permit approval action, if such were required, would most likely trigger a Section 7 consultation between the USACOE, USFWS, and CDFG regarding the special status plants, coastal California gnatcatcher, and the horned lizard (the impacts would be mitigated through measures discussed above).

If protected species have established nests or are using the Main Facility and East Site during migration, well abandonments shall be undertaken when young have fledged or migrating birds have left unless noise levels are within levels acceptable to CDFG and/or USFWS. Migrations would be expected for wildlife species or adequate similar habitat may be available to allow the special status species (e.g. gnatcatcher) to migrate to areas, which would either have visual screening or be sufficiently remote to isolate critical activities of the special-status species.

Mitigation Measure 4.4-4

Suitable habitat for the coastal California gnatcatcher (coastal sage scrub) is available on the East Site, and one gnatcatcher was identified through vocalization to be present on the site during the September 2000 reconnaissance-level survey. In addition, CDFG confirmed on May 10, 2001 that there is at least one pair of gnatcatchers on the East Site. A total of 4.94 acres of coastal sage scrub was identified predominantly on the East Site. It is unknown at this time how many acres will be affected either directly or indirectly by the project.

When the East Site is subjected to disturbance or decommissioning noise during the site abandonment and salvaging operation, the following impact avoidance measures shall be followed if there are nesting gnatcatchers on the site:

a. Construction activities will be scheduled for the nonbreeding season of the California gnatcatcher (August 31 through February 14) to avoid disturbance of nesting birds (provided that the habitat is not totally removed).
b. During abandonment, salvaging, and/or site remediation activities, a biologist acceptable to the USFWS will be on site during brush clearing within coastal sage scrub habitat. The biologist will have the authority to stop construction activities when the potential for "take" of a gnatcatcher may occur. Such incidences of "take" could be physical harm, killing, harassment, capturing, pursuing, or collecting individual birds. This section could be eliminated if the Project obtains a Section 10(a) Incidental Take permit.
c. Earthmoving or demolition equipment will be confined to the narrowest practicable corridor. Waste dirt or rubble will not be deposited within coastal sage scrub vegetation. The area of vegetation removal, trimming, or clearing will be the smallest practicable area to achieve the desired goal of the demolition, salvaging, or site remediation activity.
d. Noise associated with decommissioning will be attenuated to less than 65 decibels measured from the edge of the habitat as defined by a timely protocol survey. Attenuation will include use of hospital grade mufflers, temporary sound walls, and work outside of the breeding season, or other acceptable noise reducing measures acceptable to USFWS and CDFG.

A wildlife biologist shall conduct preconstruction surveys for California gnatcatchers in the coastal sage scrub habitat. The surveys shall be conducted under a Section 10(a)(1)(A) permit to determine occupancy and to establish a no-disturbance buffer zone around active nest/breeding sites. The surveys shall be conducted in accordance with the Coastal

California Gnatcatcher *(Polioptila californica californica)* Presence / Absence Survey Guidelines, February 28, 1997 (USFWS 1997).

Nine surveys shall be conducted during the nonbreeding season (between August 31 through February 14) or six surveys will be conducted during the breeding season (between February 15 through August 30). Individual surveys will be conducted at least two weeks apart during the nonbreeding season or at least one week apart during the breeding season.

If nest sites, eggs, breeding couples, or fledglings are identified on the site, the following step shall be taken:

a. Within 45 days following the field surveys, the permitted wildlife biologist will submit a report of findings to the USFWS and the CDFG. The report will contain:
    1. Map showing the location of the survey area
    2. Names of all biologists and associated personnel with reference to their section 10(a)(1)(A) permit number
    3. A complete description of survey methods, including number of acres surveyed per biologist per hour and the number of acres surveyed per day per biologist. In addition, the number and dates of surveys, the start and stop times of surveys, survey route delineated on maps, temperature and weather conditions, and the frequency of taped delineations
    4. Written and mapped qualitative descriptions of plant communities (including dominant species and habitat quality) on and adjacent to the survey area
    5. Number, age (adult, independent juvenile, dependent juvenile, recently fledged juvenile, nestling, unknown), sex of all coastal California gnatcatchers, and color band information, if any. Data will be plotted on 1:24,000 and 1:200 scale maps of the survey area

    b. The permitted wildlife biologist will meet with the USFWS and the CDFG to review the reports and to formalize appropriate measures to reduce or eliminate a "take" of the California gnatcatcher.

Depending on the outcome of the breeding or nonbreeding surveys, such measures to avoid "take" of coastal California gnatcatcher shall include:

a. Flagging and marking known nest sites
b. Prohibition of demolition, salvaging, and site remediation within specified distances (500 – 1,000 feet) from a nest site between February 15 and August 30.

SCG should coordinate the results of the protocol surveys with the USFWS and CDFG, and shall develop appropriate strategies to compensate for the loss of sage scrub habitat during decommissioning. Removal of coastal sage scrub shall be compensated at a ratio of 1:1 for unoccupied habitat on the Main Facility and 3:1 on the East Site. Depending on whether the USACOE exerts jurisdiction, either a Section 7 consultation will be initiated or Section 10 permit application will be filed with the USFWS by SCG. The exact means of compensation would be coordinated with the appropriate agencies, but could include:

a. Development of an on-site HCP or participation in an adjacent HCP or NCCP program.
b. Restoration of on-site or nearby disturbed areas of coastal scrub.

c. Preservation of coastal sage scrub vegetation within the East Site and/or within established coastal sage scrub vegetation on nearby sites and incorporation of appropriate conservation easements.

d. Conduct Section 7 consultation between USFWS and USACOE.

Mitigation Measure 4.4-5

To ensure compliance with biological resource mitigation measures that are required prior to or during development of the sold MGSF properties the following notifications will be made by SCG:

a. Notify USFWS and CDFG with the buyer's name and information related to the sale of the MGSF properties.

b. Notify the buyer and the City of Montebello of the MGSF of the presence of sensitive habitats and species that may not be disturbed without prior written notification to the USFWS and CDFG (at least 60 days prior to surface disturbance) or of any other mitigation measure conditions that apply prior to and after sale of the MGSF properties.

Mitigation Measure 4.4-6

All of the preceding measures shall be coordinated through SCG's development of a biological resources mitigation and monitoring plan.

CULTURAL RESOURCES

The various MGSF properties have been significantly disturbed by activities prior to and during construction of the facilities, which in turn would have led to discovery of cultural resources at that time. Nonetheless, the possibility exists that during decommissioning or during the anticipated urban development of the properties that earth moving activities could expose unforeseen resources. Without adequate recordation and curation of such resources, a potentially significant impact would result. These potentially significant effects can be mitigated to a less than significant level by application of the following mitigation measures.

Mitigation Measure 4.5-1

The following measure should be used prior to commencement of decommissioning activities:

Any structure of 50 years or older shall be reviewed and assessed as to its historic significance.

Mitigation Measure 4.5-2

There are no known archaeological or paleontological resources at the Project site. There is no known sacred use of the Project site. Since the possibility exists for disturbing unknown cultural resources, a qualified archaeologist shall intermittently monitor the Project areas. Pursuant to Section 21083.2 (I) of the Public Resources Code, in the event any archaeological, paleontological, or historic resources or human remains are encountered during site preparation or construction, all work in the immediate vicinity of 20 meters shall cease and a qualified archaeologist or historian will be consulted to evaluate the find.

GEOLOGY AND SOILS

Activities during decommissioning may generate potentially significant impacts on the geological resources and indirectly on the related context of the West Montebello Field, and these potentially significant effects shall be monitored and, if necessary, mitigated, and compensated for by way of a series of mitigation measures. The measures are designed to reduce all of the potentially significant impacts to a less than significant level.

Prior to the sale and transfer of the MGSF, the primary goal shall be to demonstrate that each site is free of surface and shallow gas and does not represent a risk to existing and future residents. The dominant means to accomplish this goal shall be field testing and documentation for gases on the sites and at all wells, and, if gas is present, safe removal and disposition of the vented gas in perpetuity.

Mitigation shall be undertaken during, and perhaps after the storage gas recovery, decommissioning, and transfer of MGSF assets. Mitigation measure shall fall into the following categories.

- Immediate Measures (2001-2003)
- Pre-Transfer Measures (2003-2006)
- Transfer Measures (2005-2008)
- Ongoing / Post-Transfer Measures (Post-2008)

SCG shall be responsible for measures during the former three phases (unless the facility is sold after the easily removed gas has been retrieved), while the subsequent owner(s) shall be responsible for those measures during the last phase. Reported results of each measure shall be used in subsequent phases for greater focus and specificity over the 5-7 year period of the Project implementation.

SCG shall be responsible for improved and continued upgrading monitoring and remediation training of SCG staff, staff used during decommissioning, new owners' staffs, and staff of the City of Montebello. SCG shall provide all monitoring and other documentation to the subsequent owner(s) and the City of Montebello throughout the decommissioning. SCG shall provide all petroleum and gas related-monitoring and other production and field-related documentation to DOGGR.

Immediate Mitigation-Gas and Wells

Measures are proposed for mitigation and recommended for all existing wells, including existing abandoned, operating, monitoring, inoperative, and venting in order to assure the future owner(s), occupants, and residents of continued safety for the area above the gas storage zone. Thorough documentation of previous and Project works related to the wells shall be provided for the current and future owners and the City of Montebello.

SCG has well files that contain information for all active wells that engineers refer to whenever problems occur with a well. Regular monitoring of the existing wells, as detailed below, will provide the highest and best method for detecting potential leaks and safety issues. SCG shall assemble a well-organized file for all wells and make available such files to the City of Montebello within two weeks of their request during the project, shall quarterly update the well / facility file, and shall deliver the complete file to the City

or a designated representative 90 days before formal transfer of any property to a subsequent owner.

Immediate Field Monitoring

Current low-level operations and relatively stable storage conditions should have allowed the Storage Zone and related pathways to stabilized and should form a good baseline condition. Immediate field testing of the baseline conditions is vital for understanding any subsequent changes with regard to gas recovery and decommissioning. SCG shall undertake an immediate detailed monitoring task to establish the baseline conditions prior to initiation of gas recovery. The monitoring shall ascertain compositions, pressures, and origins of surface gas releases, determine the most probable pathways for releases to the surface, and changes for current and future near-surface gas releases.

Mitigation Measure 4.6-1 - Monitoring Procedures and Methods

SCG shall review well and ground monitoring requirements within an urban environment as required or practiced by other agencies and states and shall develop and implement an improved monitoring program and training of staff for monitoring of the near-surface ground and wells for existing wells and foundations over abandoned wells. SCG shall review the findings with DOGGR and jointly determine if revisions to SCG's monitoring program are required based on the best practices found in other areas. SCG and DOGGR shall provide their findings and determinations to the CPUC. SCG shall monitor all existing active, inactive, and abandoned wells at intervals as determined by the above study throughout the decommissioning period and until transfers to the new owner(s) are completed.

SCG in concert with DOGGR and the City of Montebello shall develop a more aggressive monitoring systems for abandoned well gas for the period of decommissioning; the systems shall use some means of concentrating gases released from with 3 ft of the casing and shall be installed at the time of the abandonment of all wells to be abandoned following approval of the proposed actions. SCG shall continue to conduct monitoring with qualified and trained staff on all wells at current intervals with provisions for additional and reduced monitoring depending on monitoring results.

Mitigation Measure 4.6-2 - Active Well Monitoring

All isolated wells passing through the Storage Zone and Shallow Zones shall be re-inspected and documented to assure proper documentation of facilities, locations, surrounding land uses, operating capability, and usefulness during the decommissioning period.

Mitigation Measure 4.6-3 - Monitoring of Main Facility Site Cluster

SCG shall provide special monitoring measures for the cluster of slant-drilled wells within the Main Facility site. The cluster of slant-drilled wells in the Main Facility site shall require prolonged abandonment and monitoring in close proximity. SCG shall prepare a special process and aggressive monitoring program for the cluster abandonment. Consideration shall be given for automated monitoring of wells before and after abandonment of individual wells during the overall decommissioning period.

Mitigation Measure 4.6-4 - Michael Collins Circle Venting System

The venting system has been operating successfully for more than a decade. SCG shall provide monitoring of the gas venting system in concert with abandoned wells in the Circle area as well as the nearest wells within or adjacent to the Circle area. Consideration shall be given to automated monitoring within the venting exhaust system. Exhaust gases from and the operations of the venting system shall be monitored, documented, and reported on a frequent basis during the degassing. Quarterly reports shall be provided to relevant agencies.

Mitigation Measure 4.6-5 OII Wells

Many OII wells are located outside of the main landfill parcel and are monitored by OII under the guidance of the EPA. SCG shall also monitor the existing OII wells within the Main Facility site during the degassing and decommissioning period. SCG shall seek to acquire OII Landfill information on the same wells and other gas-related information for any OII wells. Conditions in the OII wells shall be correlated with degassing and other related decommissioning activities and reported to the DOGGR, operators at OII Landfill, City of Montebello, and CPUC.

Mitigation Measure 4.6-6 - Previously Abandoned and Leaking Wells

Some abandoned wells have leaked gases from various zones including the Storage Zone. SCG shall conduct a more intensive documentation and monitoring program for all wells previously reported with detectable gas levels and foundation margins over previously abandoned and now covered wells. Monitoring may be reduced or intervals increased when sufficient results indicate no further gas releases have occurred.

Mitigation Measure 4.6-7 - Specialized Monitoring of Wells

As indicated above, SCG shall develop gas monitoring probes and portable hoods and monitor selected representative abandoned wells during the Immediate and later phases. Monitoring shall provide means of direct testing of gases, sampling of gases, and pressure measuring of gases in inches of water column. This monitoring shall be continued and upgraded based on monitoring results throughout the decommissioning period and use the same for monitoring of newly abandoned wells until lands are transferred to the new owner(s).

Mitigation Measure 4.6-8 - Ground Gases

SCG shall develop and implement a soil gas survey on a 1000 ft-grid (or shorter intervals) over the entire Storage Zone and individually for each parcel in the proposed Project area to determine the presence or absence of soil gas. If gas is identified from the Storage Zone, a supplemental monitoring program shall be established, and the pathway for release of the gas shall be established. An independent specialist shall review the monitoring program procedures in advance to determine the adequacy of the program and any supplements. In addition, all monitoring records should be reviewed to delineate any possible gas leaks in the area identified by the testing program.

Mitigation Measure 4.6-9 - Storm Drain Monitoring

Storm drains may act as collectors for near-surface gas migration due to their shallow embedment and open construction. SCG shall establish and implement a monitoring process and technique for at least four storm drains (e.g., one under Howard and one under Jefferson). Considerations shall be given for automated monitoring of the storm drains if manual system (i.e., a suitable flame or photo ionization detector [FID / PID]) detect thermogenic gases in storm drains.

Mitigation Measure 4.6-10 - Gas Controls and Remediation

For well sites where significant processed gas is detected (>100 ppm), SCG shall immediately undertake additional monitoring and with confirmation shall develop and implement a gas recovery and venting system. All venting shall be thoroughly monitored and documented for future use.

Mitigation Measure 4.6-11 - Pre-Transfer Measures

Prior to transfer of any MGSF lands and after at least 50% of the available cushion gas has been recovered, SCG shall compile, review, and evaluate all documentation, reviews, and monitoring results. During this later phase of gas recovery (2003-2006), modifications of training, monitoring, surface gas programs, and needs for near-surface gas venting systems may be required and useful for the remainder of the Project period. During this phase, currently active wells may be abandoned as unneeded for final gas recovery.

Mitigation Measure 4.6-12 - Monitoring Upgrading

After at least two years of monitoring and documentation and the review of initial monitoring and other gas-related decommissioning activities, SCG, City of Montebello, and DOGGR staff or representatives shall review and evaluate the immediate monitoring program and any upgrades and develop improvements as needed for the remainder of the Project period and prior to Transfer of MGSF lands. Monitoring frequency may be changed to reflect at least two years of monitoring results. Results of the evaluation shall be provided to the CPUC.

Mitigation Measure 4.6-13 - Later Monitoring

SCG shall continue monitoring of wells, ground gas probes, storm drains, and foundations. SCG shall collect representative gas samples from sources with>100 ppm of methane gas and with pressures of >1 in (water).

Ground gases have risen to the surface over the gas storage area. Measures are recommended for existing ground gas systems and continued operating, monitoring, and venting of existing and supplemental ground gas systems over the West Montebello Field. These measures shall assure the future owner(s), occupants, and residents of continued safety for the area above the gas storage zone.

SCG shall review requirements for wells in urban environments as practiced in other cities and states and develop if necessary an improved monitoring and venting design and process to reflect the greater reduction of risk of ground gases. The urban venting requirements shall be independently reviewed by specialists under contract to the CPUC

or its representative without any past, existing, or anticipated relationship with SCG or its affiliates.

SCG shall assure easy access to monitoring wells and probes, assess at least three different depths of vadose gases down to 50 ft, and allow sampling and monitoring of gas composition and pressures (in inches of water, not 10s, 100s, or 1000s of psi) and of regional groundwater levels if within 50 ft of the surface. Additional monitoring shall be required below any perched water table found during drilling for monitoring wells or probes.

The venting and monitoring well designs shall provide for monitoring systems within the vicinity of wells and sites for optional venting wells if required in the future which shall be accessible for additional monitoring and installation of venting systems.

SCG shall document existing venting systems, installation of new ground gas monitoring systems, and if needed venting of ground gases during the decommissioning period and for two years thereafter. Documentation shall be provided to the new owner(s), the City of Montebello, and CPUC.

SCG shall install and operate ground gas monitoring and venting, if required, systems for all sites of more than 10,000 sq. ft throughout the decommissioning period. SCG shall monitor and provide for monitoring of ground gases at all wells and ground gas systems throughout the decommissioning period and two years after the transfer to new owner(s).

Monitoring wells and probes shall be installed for every area of more than 10,000 sq. ft or within 100 ft of an operating well. Larger areas may require more monitoring wells, and SCG shall install sufficient wells to provide adequate monitoring of the larger areas (e.g., >1 per acre). Initial monitoring wells shall be thoroughly documented and then updated as to geological units, ground water levels and other important characteristics for locating and design of additional wells, and perhaps for venting wells if required.

New ground gas monitoring may indicate changes in ground gas monitoring or venting. In the event of gas levels are detected at more than 100 ppm of methane and or pressures of more than 1 inch of water, additional monitoring wells shall be immediately installed. If pressures continue for more than 72 hours or are recorded within 100 ft of an existing occupied structure, venting wells shall be installed immediately. All monitoring and venting activities during decommissioning and two years thereafter shall be thoroughly documented, and periodic reports shall be provided by SCG to the new owner(s), CPUC, DOGGR (if appropriate), and the City of Montebello.

Monitoring and Documentation of Project Abandonment

During this phase, currently active wells may be abandoned. Such abandonment requires adequate documentation and characterization and will be supervised by DOGGR and reported quarterly to the City of Montebello and the CPUC.

Mitigation Measure 4.6-14 - Well Abandonment Documentation

As part of the later gas recovery and well abandonment phase, SCG shall develop and implement an adequate documentation and monitoring program for all new well abandonment. Abandonment shall be graphically documented at critical points.

Mitigation Measure 4.6-15 - Gas Characterization

During abandonment, SCG shall conduct or require monitoring of casing gas levels and pressures at three evenly spaced intervals. Within one week of completion of abandonment, SCG shall begin aggressive monitoring of casing.

Mitigation Measure 4.6-16 - External Training

After the experiences and upgrading of programs from the initial monitoring phase, training of the future owner(s) and City of Montebello staff shall be undertaken.

SCG shall develop a standardized training program for gas monitoring, gas venting, documentation, and well abandonment suitable for the subsequent owner(s) and City staff, and others related to the west and main Montebello Oil Fields. Materials developed during monitoring and current abandonment operations shall be used to demonstrate and train staff.

Mitigation Measure 4.6-17 - Later Gas Controls Training

SCG shall review all documentation and monitoring of the then-current gas control systems and shall develop a training program for continuing and future operations during the remainder of the Project period.

Mitigation Measure 4.6-18 - Later Gas Remediation

Adequate documentation of existing or new gas control venting systems will provide an excellent training base, which shall be required for the future owner(s).

Gas remediation is currently required and during the initial phase of the Project additional areas of gas release could be added. If required, SCG shall develop trained staff, training programs, and improved venting systems for gas releases in the Montebello area. SCG shall develop and implement measures are required to remove escaping near-surface or well gases from the MGSF lands for sale. SCG shall use the Michael Collins Circle venting system and any other available systems at that time for demonstration and training for removal of gas (e.g., wells versus trenches). All systems shall be approved by the City of Montebello and by DOGGR in order that building permits and approvals can be issued before construction and with transfer(s) of ownership.

If required, SCG shall review and develop adequate passive and positive extraction-collection-venting systems. For large areas, such as neighborhoods like Michael Collins Circle, extraction systems may require collection manifolds, extensive piping, and other equipment, including blowers or compressors.

SCG installed and operated a ground gas venting system in the Michael Collins Circle east of Montebello Blvd. and shall continue to operate and monitor the system and gas composition and flows from the system. Before transfer of the East Site and wells east of Montebello Blvd., SCG shall fully document the existing system and update its performance to demonstrate its need and efficiency for the new owner(s) and City of Montebello.

SCG shall annually or more frequently, if repairs, damages, or deterioration have occurred, re-inspect and document all existing ground gas venting wells to assure proper operating capability and usefulness during the first half of the decommissioning period.

Potential air quality issues may be associated with venting soil gas may require SCAQMD permits, depending on concentrations of heavy hydrocarbon gases. SCG shall document previous City and SCAQMD permits and applications for venting equipment and shall prepare and submit appropriate permits for new venting systems, if required (e.g., >500 ppm of non-methane hydrocarbons).

Transfer Measures

Transfer mitigation measures are required to legally document the responsibilities of and assist the parties during and following the transfer. Such documentation shall also provide the cities of Montebello and Monterey Park with periodic (quarterly or more frequent as requested by the cities) updates and changes in responsibilities and obligations of SCG and the subsequent owner(s).

Mitigation Measure 4.6-19 - Responsibilities

In particular, documents shall define who retains responsibility for continued mitigation measures and, in particular, maintaining and operating the field-testing, monitoring, and remediation sites and equipment, wells, and probes.

The City of Montebello and City of Monterey Park shall not bear responsibilities, unless they are owners of any former SCG property.

Mitigation Measure 4.6-20 - Transfer Conditions

SCG shall assure that any prospective new owner(s) shall have adequate financial and technical resources to maintain responsibilities for the geological zones, field, wells, and gas monitoring and venting systems.

Transfer documents shall specify conditions and criteria for suspension, cancellation, or abandonment of gas monitoring and venting systems and concurrence by the cities of Montebello or Monterey Park for such suspension, cancellation, or abandonment

The transfer documents shall also prescribe necessary indemnification and insurance requirements (if any) for the buyers and sellers.

On-Going/Post-Transfer Measures

Based on terms and condition set for in the property transfer documents, the responsibilities of the parties shall be defined upon execution of sales contracts and conditions shall apply for a period of two (2) years from the date of transfer. The responsible parties (new owner(s), City of Montebello and City of Monterey Park, and DOGGR) shall maintain and operate field test stations, monitoring stations, and remediation site equipment. The transfer documents will also prescribe necessary indemnification and insurance requirements for the future buyers and owners. All future revisions and changes in conditions shall be approved by the cities of Montebello or Monterey Park.

HAZARDS AND HAZARDOUS MATERIALS

Decommissioning of the MGSF could result in the release of various hazardous materials, including PCB's, asbestos, or lead paint into the atmosphere. Such a release, even in small amounts, is regarded as a potentially significant environmental impact. Historic operation

of the MGSF could have resulted in hazardous materials being introduced into local ground water systems, which is regarded as a potentially significant environmental impact. Application of a series of mitigation measures will reduce that potential to a less than significant level.

Mitigation Measure 4.7-1

Tests shall be conducted prior to the removal of equipment, piping insulation, or painted surfaces to determine if PCB's, asbestos, or lead paint are present. If PCB's, asbestos, or lead paint are detected, encapsulation and other appropriate removal methods should be employed to ensure the substances are not released into the environment. The waste generated by these activities must be disposed at an appropriate hazardous waste disposal site in accordance with applicable federal, state and local regulations.

Mitigation Measure 4.7-2

If contamination is discovered during decommissioning, then the action taken, permits required, and agencies involved will depend on the size and location of the soil contamination. Spills that have not migrated from the property and pose no imminent danger to humans or property may simply be excavated without a permit or other agency action. When there has been a release from the property, or when spills could pose danger to humans or property, they are reported to the Department of Toxic Substances Control ("DTSC"). Remedial action shall be taken with the consent of the DTSC. Contaminated soil would be transported to TPS in Adelanto for thermal de-sorption or to Kettleman Hills Landfill for disposal.

Mitigation Measure 4.7-3

Groundwater plumes are reported to migrate near or into the project area and may contain contaminants from the Operating Industries Inc. (OII) Landfill. Groundwater monitoring shall be conducted in order to assure that decommissioning does not influence groundwater migration along the northern portions of the project area, see below also. If a release of contaminants from decommissioning activities impacts groundwater, then it must be reported to, and cleaned up under direction of, the LARWQCB.

Mitigation Measure 4.7-4

Wells have been known to leak and may release contaminants to surrounding formations and alluvium. Groundwater and formation monitoring shall be conducted in order to assure that decommissioning does not influence releases or past releases.

Implementation of the above measures would avoid reasonably foreseeable potentially significant impacts with respect to hazards from abandonment and salvaging activities. The above measures would also reduce the risk of release or migration of hazardous substances to less than significant levels.

Mitigation Measure 4.7-5

SCG shall revise the emergency response section of the Hazardous Waste and Materials Management Plan. The plan will include mitigation as a result of foreseeable contamination due to the proposed abandonment. This mitigation will direct and supervise the disposition of hazardous wastes and materials.

Mitigation Measure 4.7-6

SCG shall also update its emergency response plan with comment and approval from the City of Montebello Fire Department to address any possible fires started during decommissioning of the facility. SCG shall maintain a clear vegetative barrier from the property line (and approved by the Montebello Fire Department) during decommissioning to prevent the spread of any fires. SCG shall also provide fire extinguishers on–site and on all vehicles operating within the two fire sensitive areas during decommissioning.

HYDROLOGY AND WATER RESOURCES

Both groundwater and surface waters may be affected by the decommissioning of the facility and appropriate monitoring and plans for mitigation must be prepared and implemented to assure mitigation of adverse effects.

HYDROLOGY AND WATER RESOURCES

Recovery of cushion gas and the attendant change in the geologic structure may alter ground water movement. Decommissioning may also result in changes to existing storm water flows as a result of earth moving activities associated with well abandonment, equipment removal and building demolition. Both effects are regard as potentially significant and both can be reduced to less than significant levels with application of the following mitigation measures.

Mitigation Measure 4.8-1 - Surface Water/Runoff

A storm water management plan for decommissioning shall be prepared by SCG and approved by the state or local agency having jurisdiction. A copy shall be provided to the CPUC. Stormwater runoff (see below) shall be reviewed by SCG in order to establish collection areas and to accommodate existing available capacity with urban development in the project sites.

Mitigation Measure 4.8-2 - Fresh Groundwater

Groundwater movements may be influenced by change in formation compression near or in the project area. Groundwater monitoring shall be conducted in order to assure that decommissioning does not influence groundwater movements and levels in the project area.

Reduced deep zone pressures may simulate downward migration of fresh groundwater (along the same pathways as those releasing high pressure deep gas to the Michael Collins Circle area) and changes in freshwater movements and water quality. If monitoring identifies significant changes in deeper groundwater conditions that influence or may influence fresh groundwater resources (e.g., sudden depression of freshwater levels over or in the vicinity of wells or the field), changes would be required in decommissioning, gas recovery, and well abandonment or re-abandonment.

Mitigation Measure 4.8-3 - Saline Groundwater

Deep groundwater movements may be influenced by changes during decommissioning and during formation compression near or in the project area. Deep groundwater

monitoring shall be conducted in order to assure that decommissioning does not influence deep groundwater movements and levels in the project area.

Major or sudden changes in deep zone field pressures or inflows of deep groundwater may indicate changes in regional groundwater formations, especially those used for secondary or enhanced recovery in the adjacent Montebello Oil Field for the Shallow Zones. If substantial changes are identified, SCG shall consult with DOGGR to determine if corrective actions are necessary. If monitoring identifies significant changes in deeper groundwater conditions that influence or may influence fresh groundwater resources (e.g., sudden depression of freshwater levels over or in the vicinity of wells or the field), changes would be required in decommissioning, gas recovery, and well abandonment or re-abandonment.

MINERAL RESOURCES

Oil, oilfield-brine (deep groundwater), and the storage capability represent potentially valuable mineral or mineral-related sources, which may be adversely affected (lost) during and after decommissioning. A loss of these valuable resources is defined as a significant environmental impact. The significance of the impact can be reduced to a less than significant level with application of the following mitigation measure.

Mitigation Measure 4.10-1 - Subsurface Mineral-Related Resources

Changes in groundwater, oils, and gas shall be monitored and recorded by SCG so as to provide a database for future mineral-related activities in the area after decommissioning.

Before and during decommissioning, storage movements shall be documented in order to provide information for potential future uses of the storage zone.

Prior to final abandonment, SCG shall review and evaluate the potential for water flooding or other suitable gas or liquid injections of the storage zone and report on the technical and financial feasibility of such operations in conjunction with the degassing to the CPUC. This shall include the potential future recovery of the storage zone and impact on the proposed activities and degassing-decommissioning schedule and values.

NOISE

Decommissioning of the MGSF facilities would require construction and industrial types of activities, which are accompanied by the generation of noise that could be regarded as unwanted and excessive. While short-term in nature, the noise levels could represent a potentially significant environmental impact. Application of the following mitigation measure will reduce the potential to a less than significant level.

Mitigation Measure 4.11-1

SCG shall prepare the decommissioning program, including schedules and mitigation measures for managing all potentially disturbing decommissioning activities, e.g., hazard-related elements, traffic, and noise. Nighttime and weekend noise levels shall be maintained at limits as specified in the Conditional Use Permit and the Special Use Permit issued by the City of Montebello, and by current City Ordinances.

TRANSPORTATION

Decommissioning and construction of the anticipated urban development following decommissioning will result in the generation of additional and changed vehicular movements on roadways serving the MGSF properties. While short-term in nature, the changed condition is regarded as potentially significant. The significance can be reduced to a less than significant level by application of the following mitigation measure.

Mitigation Measure 4.15-1

SCG shall work with the City of Montebello to determine if the proposed decommissioning activities will result in increased traffic. SCG shall prepare a Project traffic management plan to moderate truck circulation within the area and to the nearest major arterial roads if required by the City.

Conclusion

Based on the analysis in the Initial Study and the mitigation measures identified therein and incorporated into the project, the Commission finds that the project will not have a significant effect on the environment.

Natalie Walsh, Date
Manager Analysis Branch Energy Division, CPUC